

2003 NJ SAVER Rebate Income Determination

YOU MUST PROVIDE YOUR 2003 INCOME WHEN YOU FILE FOR YOUR NJ SAVER REBATE. Be sure to enter your income on line 10 of your green NJ SAVER Rebate Worksheet *before* filing by phone or on the Internet. The filing deadline is August 16, 2004. **Do not mail your NJ SAVER Worksheet or this page.** Keep them for your records.

NOTE: Only New Jersey residents who owned and occupied a home in New Jersey that was their principal residence on October 1, 2003, are eligible to apply for a 2003 NJ SAVER rebate.

You don't need to calculate your income on lines 1–15 below IF...

- You have already filed a 2003 New Jersey income tax resident return or homestead rebate application, and
- You were a New Jersey resident for all of 2003.

Refer to the chart at right to locate the New Jersey gross income figure on the form you filed. Enter that amount on line 10 of your green NJ SAVER Rebate Worksheet.

Married, Filing Separate Return – Same Residence. If you and your spouse file separate returns and maintain the same principal residence, be sure to combine the appropriate income figures from each return and enter the total on line 10 of the NJ SAVER Rebate Worksheet. (If either of you have not filed a return, you must complete lines 1–15 below to calculate your combined income.)

| Form | Enter amount from: |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------|
| NJ-1040 | Line 29 |
| NJ-1040EZ | Line 16 |
| NJ TeleFile Worksheet ... | Gross income box above Step 21 |
| NJ WebFile / returns filed electronically | Amount before any personal exemptions and other deductions are subtracted |
| HR-1040 | Line 10 (or total gross income amount from homestead rebate application filed electronically) |

You must calculate your income on lines 1–15 below IF...

- You have not filed your 2003 New Jersey income tax resident return or homestead rebate application, or
- You were a New Jersey resident for only part of 2003.

If you have not filed your 2003 New Jersey income tax resident return or homestead rebate application, complete lines 1–15 below to calculate your 2003 New Jersey gross income. If you are unable to determine the amount of your income and you are filing your 2003 New Jersey income tax return under extension, you have until October 31, 2004, to file your NJ SAVER rebate application.

Part-Year Residents

If you were **not** a New Jersey resident for all of 2003, you may still be eligible for the NJ SAVER rebate if you owned and occupied your principal residence in New Jersey on October 1, 2003. When applying for the rebate you must use your income from all sources for the **entire year** (including your spouse's if applicable).

Part-year residents must complete lines 1–15 below to calculate their income for the entire year even if they have already filed a 2003 New Jersey income tax return or homestead rebate application.

Married, Filing Separate Return

1. If your filing status is married, filing separate return, and you maintain the same principal residence as your spouse, you must combine your income for purposes of applying for the rebate.

- If either or both of you have not filed an income tax return, complete lines 1–15 to determine the amount of your combined income for the entire year as if you both had already filed.
- If one or both of you were not New Jersey residents for the entire year, complete lines 1–15 below to calculate your combined income for the entire year.

2. If you and your spouse maintain separate principal residences, your income should not be combined.

For help determining your 2003 New Jersey gross income, call 609-826-4282.

| | | | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|----|--|--|--|--|--|--|--|--|
| 1. Wages, salaries, tips, and other employee compensation | 1 | | | | | | | | |
| 2. Taxable interest income | 2 | | | | | | | | |
| 3. Dividends | 3 | | | | | | | | |
| 4. Net profits from business | 4 | | | | | | | | |
| 5. Net gains or income from disposition of property | 5 | | | | | | | | |
| 6. Pensions, annuities, and IRA withdrawals | 6a | | | | | | | | |
| a. Taxable amount received | 6b | | | | | | | | |
| b. Less NJ pension exclusion | | | | | | | | | |
| c. Subtract Line 6b from Line 6a | 6c | | | | | | | | |
| 7. Distributive share of partnership income | 7 | | | | | | | | |
| 8. Net pro rata share of S corporation income | 8 | | | | | | | | |
| 9. Net gain or income from rents, royalties, patents, and copyrights | 9 | | | | | | | | |
| 10. Net gambling winnings | 10 | | | | | | | | |
| 11. Alimony and separate maintenance payments received | 11 | | | | | | | | |
| 12. Other | 12 | | | | | | | | |
| 13. Total income (Add Lines 1, 2, 3, 4, 5, 6c, 7, 8, 9, 10, 11, and 12) | 13 | | | | | | | | |
| 14. Other Retirement Income Exclusion (see instructions) | 14 | | | | | | | | |
| 15. 2003 NEW JERSEY GROSS INCOME. (Subtract Line 14 from Line 13) Enter this amount on line 10 of your NJ SAVER Rebate Worksheet | 15 | | | | | | | | |

Line-by-Line Instructions

Lines 1–15 above correspond with the categories of income and the income exclusions on the New Jersey resident income tax return. As a New Jersey resident you must report all taxable income you receive, regardless of where earned. The line-by-line instructions provide a brief description of how to complete each line. If you need more information on the type or amount of income to be reported on a particular line, or on the qualifications for the pension and other retirement income exclusions, refer to the instructions for completing the 2003 New Jersey income tax resident return, Form NJ-1040, available online at: www.state.nj.us/treasury/taxation/forms.htm. You may also call New Jersey's Tax Forms Request System at 1-800-323-4400 (Touch-tone phones within NJ, NY, PA, DE, and MD) or 609-826-4400 (Touch-tone phones anywhere) to request a Form NJ-1040 instruction booklet.

Reporting a Loss. A net loss in any category of income cannot be reported as such. A loss within one category of income can be applied against other income within the same category. However, a net loss in one category of income cannot be applied against income or gains in another. If you have a net loss in any category of income, enter zero on the corresponding line.

Rounding Off to Whole Dollars. Round all money items to the nearest dollar. Do not include cents.

Line 1 – Wages, Salaries, Tips, etc. Enter the total amount you received during the taxable year from wages, salaries, tips, fees, commissions, bonuses, and other payments received for services performed as an employee. Include all payments, whether in cash, benefits, or property, from all employment both inside and outside New Jersey. Be sure to take the figure(s) from the "State wages" box on your W-2(s). The amount received from employment outside New Jersey may need to be adjusted to reflect New Jersey tax law.

Line 2 – Taxable Interest Income. Enter the total amount of taxable interest income you received during the year.

Line 3 – Dividends. Enter the total amount of taxable dividend income you received during the year from investments (e.g., from stocks, mutual funds) or other income-producing activities which do not constitute a trade or business. Capital gains distributions you receive from mutual funds or other regulated investment companies should not be included on this line but should be included in the total amount reported on Line 5.

Line 4 – Net Profits From Business. Enter the net profits from your business, trade, or profession. Use the amount from Federal Schedule C (or Schedules C-EZ or F) as adjusted to comply with New Jersey tax law.

Line 5 – Net Gains or Income From Disposition of Property. Enter the amount of net gains or income from the sale or exchange of any property. Also include any capital gains distributions you received from mutual funds or other regulated investment companies.

Line 6a – Taxable Pension Amount Received. Enter the total of all taxable pensions, annuities, and IRA withdrawals you received during the year. The amount that is taxable for New Jersey purposes may differ from the Federal amount.

Line 6b – New Jersey Pension Exclusion. If you are 62 years of age or older or disabled as defined by Social Security guidelines, you may exclude all or a part of the income you received during the year from taxable pensions, annuities, and IRA withdrawals. The amount you may exclude depends on your filing status. You may exclude up to the following maximum amounts:

| | |
|----------|------------------------------------------------------------------------------------------------|
| \$20,000 | Married, filing joint return; Married, filing separate returns but maintaining same residence* |
| \$15,000 | Single; Head of household; Qualifying widow(er) |
| \$10,000 | Married, filing separate return and maintaining separate residence |

*This \$20,000 exclusion for married, separate filers is for **NJ SAVER rebate application purposes ONLY**. For income tax purposes, married individuals filing separate returns may each exclude up to \$10,000 whether maintaining the same or separate residence(s).

Enter on Line 6b the lesser of the amount reported on Line 6a or the amount shown next to your filing status above.

If you file a joint return, and both you and your spouse qualify for the Pension Exclusion, you may apply the exclusion to the total taxable pension amount on your return. However, if only one spouse qualifies for the exclusion, then only the income of the qualified spouse may be excluded.

Line 6c. Subtract Line 6b from Line 6a.

Line 7 – Distributive Share of Partnership Income. Enter your share of income derived from partnership(s) as reported to you by the partnership(s) on Schedule NJK-1, Form NJ-1065. The appropriate amount to enter appears on the schedule in column A of the line labeled "Distributive Share of Partnership Income" and must be reported whether or not the income was actually distributed. For further information see Tax Topic Bulletin GIT-9P, *Income From Partnerships*, available at: www.state.nj.us/treasury/taxation/

Line 8 – Net Pro Rata Share of S Corporation Income. Enter the amount of your net pro rata share of S corporation income, whether or not the income was actually distributed. For detailed information regarding the reporting of S corporation income, request Tax Topic Bulletin GIT-9S, *Income From S Corporations*, available at: www.state.nj.us/treasury/taxation/

Line 9 – Net Gains or Income From Rents, Royalties, Patents, and Copyrights. Enter the amount of net gains or income from rents, royalties, patents, and copyrights.

Line 10 – Net Gambling Winnings. Enter the amount of your net gambling winnings. You may deduct your gambling losses from your winnings that occurred during the same year. Do not include any winnings or losses from the New Jersey State Lottery.

Line 11 – Alimony and Separate Maintenance Payments Received. Enter the total amount of alimony and separate maintenance payments you received which were required under a decree of divorce or separate maintenance. Do not include payments received for child support.

Line 12 – Other. Enter on Line 12:

- Amounts Received as Prizes and Awards
- Income in Respect of a Decedent
- Income From Estates and Trusts
- Scholarships and Fellowships (these grants are taxable unless certain conditions are satisfied)
- Residential Rental Value or Allowance Paid by Employer
- Any taxable income for which a place has not been provided elsewhere

Line 13 – Total Income. Enter on Line 13 the total of Lines 1, 2, 3, 4, 5, 6c, 7, 8, 9, 10, 11, and 12.

Line 14 – Other Retirement Income Exclusion. If you and/or your spouse were 62 years of age or older at the end of the tax year and you did not use the maximum pension exclusion on Line 6b (the taxable amount on Line 6a was less than the exclusion amount for your

filing status), you may be eligible to exclude other income on Line 14. Complete the Other Retirement Income Exclusion Worksheet below to determine if you qualify for any additional exclusion. Part-year residents must use earned income (wages, net profits from business, partnership income, and S corporation income) received for the entire year to determine if they qualify. The exclusion amounts in Parts II and III of the worksheet below for married, separate filers *maintaining the same residence* are for **NJ SAVER rebate application purposes ONLY** and are not to be used for income tax purposes.

Line 15 – Gross Income. Subtract Line 14 from Line 13. Enter here and on line 10 of your NJ SAVER Rebate Worksheet.

Other Retirement Income Exclusion Worksheet

(for use in completing Line 14 ONLY)

Part I

1. Enter the total of Lines 1, 4, 7, and 8 on reverse

1.

STOP -

♦ If line 1 is MORE than \$3,000 — Do not complete Part II. Enter "0" on line 5 and continue with Part III.

♦ If line 1 is \$3,000 or LESS — Continue to Part II.

Part II

2. Enter:

if your NJ SAVER filing status is:

\$20,000 Married, filing joint return; Married, filing separate returns but maintaining same residence

\$15,000 Single; Head of household; Qualifying widow(er)

\$10,000 Married, filing separate return and maintaining separate residence

2.

3. Enter the amount from Line 6b on reverse

3.

4. Subtract line 3 from line 2. Enter the difference here and on line 5 (Part III). If zero, enter "0"

4.

Part III

5. Unclaimed Pension Exclusion (from line 4)

5.

6a. Are you (and/or your spouse, if filing jointly) now receiving, or will you (and/or your spouse, if filing jointly) ever be eligible to receive Social Security or Railroad Retirement Benefits?

☐ No — Continue with item 6b

☐ Yes — Enter "0" on line 6 and continue with line 7

6b. Would you (and your spouse, if filing jointly) be receiving or ever be eligible to receive Social Security or Railroad Retirement Benefits if you had participated in either program?

☐ No — Enter "0" on line 6 and continue with line 7

☐ Yes — Enter on line 6 the amount of exclusion for your filing status shown below and continue with line 7

Enter:

if your NJ SAVER filing status is:

\$ 6,000 Married, filing joint return; Married, filing separate returns but maintaining same residence

Head of household; Qualifying widow(er)

\$ 3,000 Single; Married, filing separate return and maintaining separate residence

6.

7. Your Other Retirement Income Exclusion

Add lines 5 and 6. Enter here and on Line 14 on reverse

7.

For More Information...

New Jersey tax forms and publications are available:

online...

Visit our Web site at: www.state.nj.us/treasury/taxation/

by phone...

Call New Jersey's Forms Request System at 1-800-323-4400

(Touch-tone phone within NJ, NY, PA, DE, and MD) or

609-826-4400 (Touch-tone phones anywhere).

by fax...

Dial NJ TaxFax at 609-826-4500 from your fax machine's phone.

If you need help completing your NJ SAVER Rebate Worksheet or have questions about the program:

call...

609-826-4282 to speak to a Division of Taxation representative

Monday through Friday, 8:30 a.m. – 4:30 p.m.

NJS Insert

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